

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF QWEST'S PROPOSAL TO)	
USE REVENUE SHARING FUNDS TO MAKE)	CASE NO. QWE-T-03-4
NETWORK IMPROVEMENTS IN ITS)	
SOUTHERN IDAHO SERVICE AREA.)	NOTICE OF PROPOSAL
)	
)	NOTICE OF MODIFIED
)	PROCEDURE

YOU ARE HEREBY NOTIFIED that on December 31, 2002, Qwest Corporation (Qwest) submitted a proposal to the Commission to use revenue sharing funds to make network improvements in its southern Idaho service area. When Qwest's predecessor, U S WEST, in 1989 elected regulation of some services under Title 62, Idaho Code, the Commission approved a method for allocating costs between the fully regulated (Title 61, Idaho Code) and partially regulated (Title 62, Idaho Code) portions of Qwest's southern Idaho operations. The Sharing Plan measured total Company growth and shared a portion of that growth with Title 61 operations in recognition that Title 62 services depended on use of the joint network. Because revenue sharing funds derived from joint use of the network that provides Title 61 services, the Commission held that revenue sharing funds must be used to benefit Title 61 customers. In 1989 and 1990, revenue sharing money was given to Title 61 customers as a one-time credit. In subsequent years, the Commission approved use of the funds to make network improvements in Qwest's southern Idaho service area. The revenue sharing program terminated in 1997, and the existing funds are the last revenue sharing funds provided by the program.

YOU ARE FURTHER NOTIFIED that Qwest proposes to use \$4 million in revenue sharing funds, plus an equal amount matched by the Company, making approximately \$8 million available for the proposed improvements. Qwest proposes to use the funds during the next three years to make improvements in the following system components:

1. Replacement of lead sheath cabling in the local exchange network and selected wire centers;
2. Replacement or rehabilitation of air core cabling in the local exchange network in selected wire centers;

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3. Replacement of control points/access points (i.e., terminal boxes or enclosures) in selected wire centers;
4. Replacement of Anaconda analogue carrier systems across Idaho.

On January 17, 2003, Qwest provided additional information regarding the proposal and the specific improvements it recommends. Regarding the Anaconda carrier systems, Qwest identified six Anaconda systems currently in place, which would require approximately \$629,500 to replace.

YOU ARE FURTHER NOTIFIED that Qwest asserts its proposal is similar to the previous network improvements approved by the Commission for use of revenue sharing funds. Qwest asserts its proposal will benefit Qwest's Title 61 customers in southern Idaho and will result in extensive service improvement for those customers.

YOU ARE FURTHER NOTIFIED that the proposal has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices or on the Commission's Website at www.puc.state.id.us under "File Room."

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through -.204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on Qwest's proposal may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this application shall be mailed to the Commission and the Applicant at the addresses reflected below:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST
BOISE, ID 83702-5983


JOHN SOUBA
REGULATORY AFFAIRS MGR.
QWEST CORPORATION
999 MAIN STREET, 11TH FL
BOISE, ID 83702
E-MAIL: jsouba@qwest.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail address listed above.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

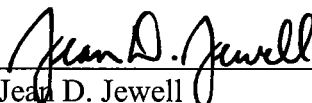
DATED at Boise, Idaho this **23rd** day of January 2003.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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